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Robert L. Rattet
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

PUREGANIC LLC and
PUREGANIC CAFÉ LLC,

Case Nos. 23-22011
23-22012

(Joint Administration Requested)

Debtors.

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**DECLARATION OF ROBERT L. DEAK PURSUANT TO
LOCAL BANKRUPTCY RULE 1007-2**

ROBERT L. DEAK, under penalties of perjury, hereby declares and states as follows:

1. I am the managing member of the above captioned debtors (the “Debtors”) and I submit this Declaration pursuant to Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York.

PART I

BACKGROUND

2. The Debtors are corporations organized under the laws of New York. Pureganic LLC (“Pureganic”) was organized on December 15, 2015. Pureganic Café LLC (“Café”) was organized on January 10, 2022.

3. Up until November 30, 2022, Pureganic operated a vegan restaurant under the

name, The Pureganic Café, located at 46 Purchase Street, Rye, NY 10580 (the “Former Restaurant”). After Pureganic’s cessation of operations, Café opened its own vegan restaurant, albeit under the same trade name, at 305 Halstead Avenue, Harrison, NY 10528.

4. Due to financial issues before, and later exacerbated by the Covid-19 Pandemic, Pureganic began to fall behind on its obligations to its various lenders that had provided funds for it to operate and open.

5. On November 30, 2022, due to financial difficulties and a drastic reduction of customers due to the Covid 19 Pandemic, Pureganic vacated the Former Restaurant and ceased its food service operations there. On December 1, 2022, Café, with capital investments from myself, opened a vegan restaurant located at 305 Halstead Avenue, Harrison, NY 10528, although under the previous trade name of the Former Restaurant, and with some of the old equipment from the Former Restaurant, combined with new equipment purchased by Café.

6. Unfortunately, Café has experienced lower sales than projected, higher than budgeted costs for the new location, while Pureganic, now out of business, was left with insufficient capital to make payments on its high interest loans, which would ultimately fall into default.

7. Accordingly, on January 7, 2023, the Debtors filed voluntary petitions for reorganization in this Court under Subchapter V of the Small Business Restructuring Act.

8. The Debtors intend to utilize the Chapter process to, inter alia, restructure their debt, and resolve the various claims of their lenders so that a consensual Plan of Reorganization can be filed within a reasonable amount of time. The Debtors intend to fund said Plan in cooperation with

funds to be provided by Café. The Debtors are confident that proceeding in Chapter 11 is in the best interests of the Debtors, their estate, and the creditors as a whole.

9. The needs and interests of the Debtors' creditors will best be served by the continued possession of their property and management of their affairs as debtors in possession under Chapter 11 until a restructuring plan can be formulated and presented to creditors.

PART II

INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007

18. In addition to the foregoing, S.D.N.Y. Local Bankruptcy Rule 1007-2 requires certain information related to the Debtors, which is set forth below.

Local Rule 1007-2(a)(1)

19. The Debtors' principal assets are located at 305 Halstead Ave, Harrison, NY 10528.

Local Rule 1007-2(a)(2)

20. This case was not originally commenced under Chapter 7 or 13 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

Local Rule 1007-2(a)(3)

21. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

Local Rule 1007-2(a)(4)

22. A list of the names and addresses of the Debtors' 20 largest unsecured claims, excluding those who would not be entitled to vote at a creditors' meeting and creditors who are "insiders" as that term is defined in §101(31) of the Bankruptcy Code is annexed hereto as **Schedule I.**

Local Rule 1007-2(a)(5)

23. A schedule of the Debtors' 5 largest secured creditors is annexed hereto as **Schedule II.**

Local Rule 1007-2(a)(6)

24. A summary of the Debtors' consolidated assets and liabilities is annexed hereto as **Schedule III.**

Local Rule 1007-2(a)(7)

25. There are no publicly held securities of the Debtors.

Local Rule 1007-2(a)(8)

26. None of the Debtors' property is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents or secured creditor.

Local Rule 1007-2(a)(9)

27. The Debtors leased the Former Restaurant at 46 Purchase Street, Rye, NY 10580.

Local Rule 1007-2(a)(10)

28. The Debtors' books and records and substantial assets are located at 305 Halstead Avenue, Harrison, NY 10528.

Local Rule 1007-2(a)(11)

29. There are no current or pending lawsuits against the Debtors.

Local Rule 1007-2(a)(12)

30. The Debtors are currently managed by myself as their managing member, and my spouse, Moshira Soliman, as their operating manager.

Local Rule 1007-2(b)(1) and (2)

31. The Debtors currently have 9 employees.

32. The Debtors' estimated gross weekly payroll and payments to managers, members, and directors for the thirty (30) day period following the Chapter 11 petition is \$10,000.

33. The Debtors' estimated payroll to non-manager/non-insider employees for the thirty (30) day period following the Chapter 11 petition is approximately \$30,000.

Local Rule 1007-2(b)(3)

34. A schedule, for the 30-day period following the filing of the chapter 11 petitions, of estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees is annexed as **Schedule IV**.

CONCLUSION

Pursuant to 28 U.S.C. §1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: January 7, 2023

/s/ Robert L. Deak
Robert L. Deak, Managing Member

SCHEDULE I

DEBTORS' 20 LARGEST UNSECURED CREDITORS

See attached

Fill in this information to identify the case:Debtor name **Pureganic LLC**United States Bankruptcy Court for the: **SOUTHERN DISTRICT OF NEW YORK**

Case number (if known): _____

☐ Check if this is an
amended filing**Official Form 204****Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders****12/15**

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Celtic Bank Corporation c/o Bluevine Capital, Inc. 401 Warren Street, Suite No. 300 Redwood City, CA 94063		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$75,000.00
Channel Partners Capital, LLC 11100 Wayzata Boulevard, Suite 305 Hopkins, MN 55305		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$150,000.00
Idea 247, Inc. c/o Justin Leto 200 SE 1st St., Suite 703 Miami, FL 33131		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$50,400.00
Small Business Financial Solutions, LLC 4500 East West Highway, 6th Floor Bethesda, MD 20814		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$110,000.00
The Business Backer 10856 Reed Hartman Highway, Suite 100 Cincinnati, OH 45242		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$150,400.00
The Fundworks, LLC c/o The Fundworks Team 299 S. Main Street, Suite 1300 Salt Lake City, UT 84111		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$75,000.00

Debtor **Pureganic LLC**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
WebBank c/o CAN Capital, Inc., as Servicer 2015 Vaughn Road, NW, Bldg 500 Kennesaw, GA 30144		Purchase of Receivables Agreement	Contingent Unliquidated Disputed			\$110,000.00
Webster Bank SBA - Business Backing 436 Slater Road Loan Ops BB Closing Department, NB 245 New Britain, CT 06053		Blanket Lien		\$250,000.00	\$19,000.00	\$231,000.00

Fill in this information to identify the case:

Debtor name

Pureganic Cafe LLC

United States Bankruptcy Court for the:

SOUTHERN DISTRICT OF NEW YORK

Case number (if known):

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Webster Bank SBA - Business Banking 436 Slater Road Loan Ops BB Closing Department, NB 245 New Britain, CT 06053		Blanket Lien		\$250,000.00	\$116,312.13	\$133,687.87

SCHEDULE II

DEBTORS' FIVE LARGEST SECURED CREDITORS

See attached

1) Webster Bank

SBA - Business Backing

436 Slater Road

Loan Ops BB Closing Department, NB 245

New Britain CT 06053-0000

Claim: 250,000.00 Unsecured: 231,000.00

SCHEDULE III
SUMMARY OF ASSETS AND LIABILITIES

See attached

Fill in this information to identify the case:Debtor name **Pureganic LLC**United States Bankruptcy Court for the: **SOUTHERN DISTRICT OF NEW YORK**

Case number (if known) _____

☐ Check if this is an amended filing**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals****12/15****Part 1: Summary of Assets****1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)**1a. Real property:**Copy line 88 from *Schedule A/B*..... \$ **0.00****1b. Total personal property:**Copy line 91A from *Schedule A/B*..... \$ **24,000.00****1c. Total of all property:**Copy line 92 from *Schedule A/B*..... \$ **24,000.00****Part 2: Summary of Liabilities****2. Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)Copy the total dollar amount listed in Column A, *Amount of claim*, from line 3 of *Schedule D*..... \$ **250,000.00****3. Schedule E/F: Creditors Who Have Unsecured Claims** (Official Form 206E/F)**3a. Total claim amounts of priority unsecured claims:**Copy the total claims from Part 1 from line 5a of *Schedule E/F*..... \$ **0.00****3b. Total amount of claims of nonpriority amount of unsecured claims:**Copy the total of the amount of claims from Part 2 from line 5b of *Schedule E/F*..... +\$ **720,800.00****4. Total liabilities**
Lines 2 + 3a + 3b\$ **970,800.00**

Fill in this information to identify the case:Debtor name **Pureganic Cafe LLC**United States Bankruptcy Court for the: **SOUTHERN DISTRICT OF NEW YORK**

Case number (if known) _____

☐ Check if this is an amended filing**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals****12/15****Part 1: Summary of Assets****1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ 0.00
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ 116,312.13
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ 116,312.13

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ 250,000.00
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ 0.00
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ 224,773.00
4. Total liabilities Lines 2 + 3a + 3b	\$ 474,773.00

SCHEDULE IV

30 DAY ESTIMATED INCOME AND EXPENSES

See attached

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